

UNITED STATES DISTRICT COURT
WESTERN DISTRICT OF NORTH CAROLINA
ASHEVILLE DIVISION

UNITED STATES OF AMERICA

v.

WILLIAM RICHARD HILLIARD, JR.

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DOCKET NO. 1:19CR3

FACTUAL BASIS

NOW COMES the United States of America, by and through R. Andrew Murray, United States Attorney for the Western District of North Carolina, and hereby files this Factual Basis in support of the plea agreement filed simultaneously in this matter.

This Factual Basis is filed pursuant to Local Criminal Rule 11.2 and does not attempt to set forth all of the facts known to the United States at this time. By their signatures below, the parties expressly agree that there is a factual basis for the guilty plea(s) that the defendant will tender pursuant to the plea agreement, and that the facts set forth in this Factual Basis are sufficient to establish all of the elements of the crime(s). The parties agree not to object to or otherwise contradict the facts set forth in this Factual Basis.

Upon acceptance of the plea, the United States will submit to the Probation Office a "Statement of Relevant Conduct" pursuant to Local Criminal Rule 32.4. The defendant may submit (but is not required to submit) a response to the Government's "Statement of Relevant Conduct" within seven days of its submission. The parties understand and agree that this Factual Basis does not necessarily represent all conduct relevant to sentencing. The parties agree that they have the right to object to facts set forth in the presentence report that are not contained in this Factual Basis. Either party may present to the Court additional relevant facts that do not contradict facts set forth in this Factual Basis.

1. On June 11, 2018, WILLIAM RICHARD HILLIARD, JR. was arrested by Myrtle Beach, South Carolina law enforcement officers on charges of video voyeurism. HILLIARD was the owner of a yacht called "Yachts O' Trouble" and he had been discovered secretly video recording minor and adult female guests aboard his yacht while they showered and changed clothes. As a result of the events surrounding his arrest, the Federal Bureau of Investigation (FBI) coordinated an extensive multi-state and multi-agency investigation which established the facts that follow.

2. From at least 2011, through 2018, WILLIAM RICHARD HILLIARD, JR was a resident of Cherryville, North Carolina, which is in the Western District of North Carolina. Cherryville is a small city located primarily in Gaston County, but partially in Cleveland County. The population was 5,760 according to the 2010 census. Through approximately August 1, 2015, HILLIARD lived with his wife and children at 404 Farris Drive, Cherryville, Gaston County, North Carolina. Thereafter he moved with his family to 2742 Clineland Road, Cherryville, North

Carolina, Cleveland County. HILLIARD's son was born in 2009 and his daughter was born in 2012. HILLIARD worked for his father's company in Cherryville. HILLIARD frequently employed teenage babysitters to watch his children.

3. HILLIARD owned a yacht named "Yachts O' Trouble" which he acquired in 2007. HILLIARD kept the yacht at the River Hills Marina at Lake Wylie, South Carolina from March 1, 2010 through September 5, 2012, at which time he had his yacht moved to Grand Dunes Marina at Myrtle Beach, South Carolina.

4. In September 2011, HILLIARD was employing Child Victim 3 ("CV3") as a babysitter. On September 13, 2011, CV3 joined HILLIARD on his yacht at Lake Wylie, South Carolina. CV3 was then 15 years old and in the 9th grade.

5. HILLIARD's yacht was equipped with a shower in the bedroom cabin. The shower did not have a door attached to it and HILLIARD told people that he had removed it because it was broken, but that the shower otherwise worked fine. While CV3 was staying on the yacht, HILLIARD invited her to take a shower. Unbeknownst to CV3, HILLIARD hid a Samsung video camera in the yacht's bedroom cabin which captured video of the shower area. HILLIARD thereafter secretly recorded CV3 showering nude, thereby intentionally producing a child pornography video with a lewd and lascivious depiction of CV3's genitals [COUNT ONE]. On or about September 13, 2011, HILLIARD then returned to his home in the Western District of North Carolina with the video he produced, thereby transporting it in interstate commerce [COUNT TWO].

6. In December 2011, HILLIARD and his family made a trip to Birmingham, Alabama from the Western District of North Carolina to attend a wedding. By this time, HILLIARD had commenced a secret sexual relationship with CV3 who was still 15 years old and still in the 9th grade. HILLIARD arranged for CV3 to come along on the trip in order for her to babysit his son during the wedding. HILLIARD made reservations at a hotel for himself and his family and he also reserved a second room for CV3 with a door that connected to his hotel room. On or about December 8, 2011, CV3 rode with HILLIARD and his family in his vehicle from the Western District of North Carolina to Birmingham, Alabama and HILLIARD intended to engage in sex acts with CV3 during this visit to Alabama [COUNTS THREE AND FOUR].

7. On or about December 10, 2011, on at least two separate occasions, while HILLIARD was at the hotel in Alabama, HILLIARD produced child pornography videos of CV3. In one instance, HILLIARD filmed CV3 in the shower and he captured a lewd and lascivious exhibition of her genitals [COUNT FIVE]. On another occasion, CV3 engaged in oral sex with HILLIARD which he video recorded [COUNT SIX]. The videos were filmed on an Apple iPhone 4. HILLIARD filmed the Alabama videos overtly.

8. After the wedding, on or about December 11, 2011, HILLIARD then returned to his home in the Western District of North Carolina with the videos he produced in Alabama, thereby transporting them in interstate commerce [COUNT SEVEN].

9. On or about May 4, 2012, HILLIARD made another trip from the Western District of North Carolina to the "Yachts O' Trouble" at Lake Wylie, South Carolina and he invited CV3 and also Child Victim 4 ("CV4") to join him there because he was planning to secretly produce child pornography of them [COUNT EIGHT]. CV3 was still 15 years old and still in the 9th grade. CV4 was 16 years old.

10. During CV3 and CV4's visit to the yacht, HILLIARD secretly recorded them showering using his secret hidden Samsung video camera. HILLIARD thereby intentionally produced a child pornography video containing a lewd and lascivious depiction of CV4's genitals [COUNT TEN]. In a secret recording of CV3, HILLIARD intentionally captured her taking a shower with a lewd and lascivious view of her genitals. Later in the video, HILLIARD engaged in oral sex and vaginal intercourse with CV3 [COUNT NINE]. CV3 and CV4 were intoxicated with alcohol provided by HILLIARD during this video. On or about May 4, 2012, HILLIARD returned to his home in the Western District of North Carolina with the videos he produced, thereby transporting them in interstate commerce [COUNT ELEVEN].

11. On or about August 17, 2012, HILLIARD made another trip from the Western District of North Carolina to the "Yachts O' Trouble" at Lake Wylie, South Carolina and he invited another babysitter to come with him, hereinafter referred to as Child Victim 6 ("CV6"). CV6 was 16 years old at the time.

12. While CV6 was staying on the yacht, HILLIARD invited her to take a shower. Unbeknownst to CV6, HILLIARD had once again hidden the Samsung video camera in the bedroom cabin of his yacht which captured video of the shower area. HILLIARD thereafter secretly recorded CV6 in the nude taking a shower and he thereby intentionally produced a child pornography video containing a lewd and lascivious depiction of CV6's genitals [COUNT TWELVE]. Afterwards, on or about August 17, 2012, HILLIARD then returned to his home in the Western District of North Carolina with the video he produced, thereby transporting it in interstate commerce [COUNT THIRTEEN].

13. On or about August 30, 2012, HILLIARD engaged in oral sex with CV3 at his home in Gaston County. CV3 was 16 years old at the time. HILLIARD overtly recorded this sex act with his Samsung video camera [COUNT TWENTY-ONE].

14. Child Victim 5 ("CV5") was another babysitter for HILLIARD. On one occasion, from between on or about January 1, 2015 through on or about August 1, 2015, at his residence in Gaston County, HILLIARD secretly video recorded CV5 in the nude taking a shower in his bathroom. CV5 was 16 years old at the time of the recording. The video depicts a lewd and lascivious exhibition of CV5's genitals and HILLIARD thereby intentionally produced a child pornography video [COUNT TWENTY-TWO].

15. On or about July 11, 2015, made a trip with Child Victim 16 ("CV16") from the Western District of North Carolina to his "Yachts O' Trouble" yacht, located at Myrtle Beach,

South Carolina. CV16 was another babysitter for HILLIARD and she was then 14 years old. HILLIARD set up a secret video camera in the bedroom cabin of his yacht facing the shower with no door. HILLIARD told CV16 she could take a shower and he secretly recorded her as she did so. On the video, CV16 enters the bedroom and closes the door. She removes her clothes and takes a shower in the nude. The video recorded by HILLIARD captures a lewd and lascivious exhibition of CV16's genitals.

16. On or about June 23, 2016, HILLIARD made another trip from the Western District of North Carolina to the "Yachts O' Trouble", which was now located at Myrtle Beach, South Carolina. HILLIARD invited CV5 to come with him to babysit his children because he was seeking to secretly produce child pornography of her [COUNT FOURTEEN]. CV5 was 17 years old at the time.

17. On three separate occasions during this trip, unbeknownst to CV5, HILLIARD hid an Apple iPad in the bedroom cabin of his yacht which captured video of the shower area. HILLIARD thereafter secretly recorded CV5 in the nude taking a shower three separate times and he thereby intentionally produced three child pornography videos containing lewd and lascivious depictions of CV5's genitals [COUNTS FIFTEEN, SIXTEEN, AND SEVENTEEN]. Afterwards, on or about June 24, 2016, HILLIARD returned to his home in the Western District of North Carolina with the videos he produced, thereby transporting the videos in interstate commerce [COUNT EIGHTEEN].

18. Child Victim 9 ("CV9") was another babysitter for HILLIARD. On two occasions encompassing two separate videos, at his residence in Cleveland County, HILLIARD secretly video recorded CV9 in the nude taking a shower in his bathroom. CV9 was 13 years old at the time of the recordings. These videos depict lewd and lascivious exhibitions of CV9's genitals and HILLIARD thereby intentionally produced two child pornography videos [COUNT TWENTY-THREE AND TWENTY-FOUR].

19. On or about September 24, 2016, at his residence in Gaston County, HILLIARD secretly video recorded CV5 in the nude taking a shower in his bathroom. CV5 was 17 years old at the time of this recording. HILLIARD had carved a notch in the bottom of his bathroom door which was large enough for a cellular phone camera or Apple iPad to film the inside of the bathroom when the door was closed. HILLIARD held a camera to the notch in the hole and he was able to record what was happening inside. The video recorded by HILLIARD depicts a lewd and lascivious exhibition of CV5's genitals and HILLIARD thereby intentionally produced a child pornography video [COUNT TWENTY-FIVE].

20. On or about June 17, 2017, HILLIARD made another trip from the Western District of North Carolina to the "Yachts O' Trouble" located at Myrtle Beach, South Carolina and he invited another babysitter to come with him, hereinafter referred to as Child Victim 7 ("CV7"). CV7 was 17 years old at the time.

21. While CV7 was staying on the yacht, HILLIARD invited her to take a shower. Unbeknownst to CV7, HILLIARD hid a video camera in the bedroom cabin of his yacht which captured video of the shower area. HILLIARD thereafter secretly recorded CV7 in the nude taking a shower and he thereby intentionally produced a child pornography video containing a lewd and lascivious depiction of CV7's genitals [COUNT NINETEEN]. Afterwards, on or about June 17, 2017, HILLIARD then returned to his home in the Western District of North Carolina with the video he produced, thereby transporting it in interstate commerce [COUNT TWENTY].

22. On June 29, 2017, HILLIARD's four-year-old daughter, hereinafter referred to as Child Victim 8 ("CV8"), and her eight-year-old playmate, hereinafter referred to as Child Victim 1 ("CV1"), were in his care and custody at his home in Cleveland County. HILLIARD spent the day with the children taking them to the swimming pool at his country club. Prior to leaving for the country club, HILLIARD instructed CV1 to change into her swimming suit in his bathroom and to rub lotion onto herself. Unbeknownst to CV1, HILLIARD had set up three different recording devices to capture videos of her in the nude while she was changing and rubbing lotion on herself. HILLIARD himself held a camera focused on the child looking through the notch he had carved in the bathroom door [COUNT TWENTY-SIX].

23. Later that day, while at the Cleveland County Country Club, HILLIARD took the children to the "family" bathroom/shower room after swimming at the pool. Only HILLIARD, CV1, and CV8 were present in the shower room. HILLIARD set his Apple cell phone on a bench and pointed it towards a shower in the room where CV1 and CV8 were naked and showering. HILLIARD began recording the room with the phone. The video captured CV1 and CV8's genitals in a lewd and lascivious exhibition. While CV1 was still in the shower, HILLIARD picked up the phone and either made a call or pretended to make a call. Throughout the call, HILLIARD continued video recording and he kept the nude CV1 as the focal point of the camera. [COUNT TWENTY-EIGHT]

24. At another point in that same day, HILLIARD secretly video recorded CV1 on a third occasion as she was changing in his bathroom again. On this occasion, HILLIARD video recorded from an iPad propped up in the corner of the bathroom and also from his cell phone through the notch in the door. HILLIARD's video recorded CV1 in a lewd and lascivious exhibition of her genitals. [COUNT TWENTY-SEVEN]

25. On or about July 13, 2017, HILLIARD and his family made a trip from the Western District of North Carolina to the Grand Dunes Marina Inn, located at Myrtle Beach, South Carolina. On or about July 22, 2017, HILLIARD invited Child Victim 14 ("CV14") who was then nine years old, and her mother to come to his hotel room in order to change clothes before going out to eat. Unbeknownst to CV14 and her mother, HILLIARD had set up a secret video camera in the bathroom of the hotel room prior in order to record them changing clothes. HILLIARD thereafter recorded video of CV14 in the nude as she changed clothes and he thereby captured video depicting a lewd and lascivious exhibitions of her genitals.

26. On or about July 25, 2017 Child Victim 13 ("CV13") was another babysitter for HILLIARD. At his residence in Cleveland County, HILLIARD secretly video recorded CV13 changing into a bathing suit in his children's bathroom. CV13 was 13 years old at the time of the recordings. The video depicts a lewd and lascivious exhibition of CV13's genitals.

27. On December 10, 2017, CV8, now five years old, and another eight-year-old playmate, hereinafter referred to as Child Victim 2 ("CV2"), were in his care and custody at his home in Cleveland County while his wife and CV2's mother attended a Charlotte Hornets basketball game. HILLIARD oversaw the children taking a bath in the bathtub at his home.

28. On this occasion, HILLIARD set up a hidden camera somewhere on top of the bathroom vanity countertop. The camera recorded the children as they bathed in bathing suits. HILLIARD left the bathroom while they bathed and then came back in, instructing them to take off their bathing suits and rub lotion on each other. This conduct was captured on video. Overlapping at times with this secret camera video, HILLIARD also video recorded the children from his Apple iPhone 7 cell phone, which he was holding in his hand HILLIARD thereby produced lewd and lascivious exhibitions of the children's genitals. [COUNT TWENTY-NINE].

29. On or about January 26, 2018, HILLIARD made a trip to Beech Mountain Ski Resort where he rented a vacation rental home for himself and his family. He also brought CV7 with him to babysit his children. CV7 was still 17 years old at the time. HILLIARD set up a secret video camera in the bathroom. The camera recorded his son, who was then eight years old, hereinafter referred to as Child Victim 12 ("CV12") taking a shower in the bathroom. Afterwards, CV7 took a shower which HILLIARD also recorded. HILLIARD thereby captured video depicting lewd and lascivious exhibitions of CV12 and CV7's genitals [COUNT THIRTY].

30. On or about May 17, 2018, HILLIARD made another trip from the Western District of North Carolina to his "Yachts O' Trouble" yacht, located at Myrtle Beach, South Carolina. HILLIARD brought CV1 and CV12 with him knowing that he would attempt to record child pornography video of CV1 on his yacht [COUNT THIRTY-ONE]. CV1 was then nine years old. HILLIARD set up a secret video camera in the bedroom cabin of his yacht facing the shower with no door. HILLIARD told CV1 she could take a shower and he recorded her as she did so. In the video, CV1 enters the bedroom, closes the door and locks it behind her. She can be heard telling HILLIARD "don't come in." The video shows CV1 remove her clothes and take a shower. The video captures a lewd and lascivious exhibition of CV1's genitals [COUNT THIRTY-TWO].

31. On or about May 18, 2018, HILLIARD recorded CV1 again in another secret video. The video depicts CV1 taking another shower in the bedroom cabin of the yacht. The video shows a lewd and lascivious exhibition of CV1's genitals [COUNT THIRTY-THREE].

32. On or about May 19, 2018, CV1 was recorded again in a secret video created by HILLIARD. The video depicts CV1 taking another shower in the bedroom cabin of the yacht. The video shows a lewd and lascivious exhibition of CV1's genitals [COUNT THIRTY-FOUR].

33. Afterwards, on or about May 19, 2018, HILLIARD then returned to his home in the Western District of North Carolina with the videos he produced, thereby transporting them in interstate commerce [COUNT THIRTY-FIVE].

34. In June 2018, HILLIARD invited nine various female guests to accompany him on his "Yachts O' Trouble" yacht at Myrtle Beach. Three of the guests were minors. One of the guests, CV7, was a prior victim, but she had since turned 18. HILLIARD told the guests that the purpose of the trip was as a reward because they had just graduated high school. On or about June 9, 2018, HILLIARD drove himself to Myrtle Beach with several computers and media storage devices, including devices that he had previously used to produce and store child pornography and he intended to produce new child pornography of the minor females and then bring it back to his home in North Carolina. [COUNTS THIRTY-SIX AND THIRTY-SEVEN].

35. HILLIARD's guests met him at his yacht on Saturday, June 9, 2018 and everyone spent the night on his boat while docked at the marina. On Sunday, June 10, 2018, HILLIARD sailed the boat out on the water. That day, HILLIARD advised his guests that he would be taking them all to Ruth's Chris Steak House that night and that they could use his shower to get ready. HILLIARD told them that the shower door was not attached because it was broken, but that the shower still worked fine.

36. HILLIARD set up a secret hidden camera in a device somewhere in his bedroom cabin that video recorded the shower area. He also set up an Apple iPad in the bedroom cabin that recorded the shower area from a slightly different angle. One at a time, the nine guests took turns taking showers and HILLIARD captured lewd and lascivious depictions of their genitals on his cameras. The minor victims included:

- a. Child Victim 9 ("CV9"), who was then 14 years old.
- b. Child Victim 10 ("CV10"), who was then 16 years old.
- c. Child Victim 11 ("CV11"), who was then 17 years old.

37. Eventually the yacht returned to the marina and the guests continued to take turns showering. While CV7 (who was 18 at the time) was showering, she noticed HILLIARD's iPad facing her so she investigated the device. CV7 discovered that the iPad was recording her and she found the videos HILLIARD had recorded of her and the other guests. CV7 also discovered videos HILLIARD had produced of other children back at his homes in Cleveland and Gaston County. CV7 deleted a few of the yacht videos and she took the iPad. CV7 did not discover the other camera HILLIARD had set up and it was recording her as she discovered the iPad.

38. After discovering the video recordings, the guests became concerned for their safety. They fled the yacht with the iPad and went to the local police and made a report. Based on their complaint, local police obtained an arrest warrant for HILLIARD and arrested him.

39. In an interview with a local detective following his arrest, HILLIARD admitted to recording his guests on the yacht and he said that he had been doing so for a while. HILLIARD also acknowledged video recordings he had produced at his home in Cleveland County through the notch he had made in his bathroom door. HILLIARD told the detective he made the videos for his sexual gratification.

40. In a search of HILLIARD's yacht, detectives found various cameras, computers, and digital storage devices that he possessed. The devices contained the produced child pornography videos previously described [COUNT FORTY-TWO]. The door to the shower was located in a storage compartment of the yacht. Forensic analysis of the devices showed that HILLIARD had named many of the video files after the actual names of the children. In one video, HILLIARD inadvertently recorded himself trying to find the iPad that CV7 took to the police. In addition to depicting the children, many of the videos described throughout this factual basis also showed HILLIARD setting up the camera and then removing it after he had filmed the children.

41. One additional video discovered by law enforcement depicted Child Victim 15 ("CV15") who once stayed on HILLIARD's yacht and took a shower there. This occurred between September 2008 and September 2010. CV15 was then between 15 and 17 years old. Unbeknownst to CV15, HILLIARD hid a camera in the bedroom cabin of his yacht which captured video of the shower area. HILLIARD thereby secretly recorded CV15 in the nude taking a shower, showing a lewd and lascivious depiction of CV15's genitals [COUNT FORTY-TWO].


42. Based on the events in Myrtle Beach, law enforcement in Cleveland County, North Carolina obtained search warrants for HILLIARD's home and they seized computers and digital media from that location [COUNT FORTY-TWO]. Between the devices seized at Myrtle Beach and the devices seized at his residence in Cleveland County, HILLIARD possessed child pornography images of CV1 through CV16. The FBI later seized the bathroom door that HILLIARD had carved a notch in.

43. Forensics showed that HILLIARD also downloaded and possessed child pornography from various internet sources. HILLIARD acknowledged in a later interview with the FBI that he possessed internet child pornography and that he had downloaded it [COUNTS FORTY-ONE AND FORTY-TWO].

44. HILLIARD denied ever distributing child pornography and computer forensic analysis did not show that HILLIARD had distributed any child pornography that he had produced or that he had downloaded from the internet.

45. The devices HILLIARD used to produce and possess child pornography were manufactured outside of North Carolina.

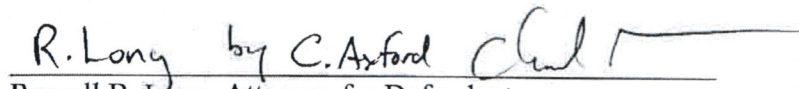
R. ANDREW MURRAY
UNITED STATES ATTORNEY



for David A. Thorne
ASSISTANT UNITED STATES ATTORNEY

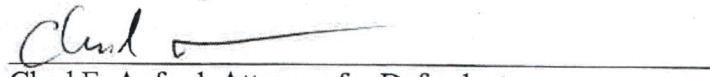
Defendant's Counsel's Signature and Acknowledgment

I have read this Factual Basis, the Bill of Indictment, and the plea agreement in this case, and have discussed them with the defendant. Based on those discussions, I am satisfied that the defendant understands the Factual Basis, the Bill of Indictment, and the plea agreement. I hereby certify that the defendant does not dispute this Factual Basis.



Russell B. Long, Attorney for Defendant

DATED: 3/29/19



Chad E. Axford, Attorney for Defendant

DATED: 3/29/19